

PBOT Budget Update

June 2023: BAC



PBOT
PORTLAND BUREAU OF TRANSPORTATION

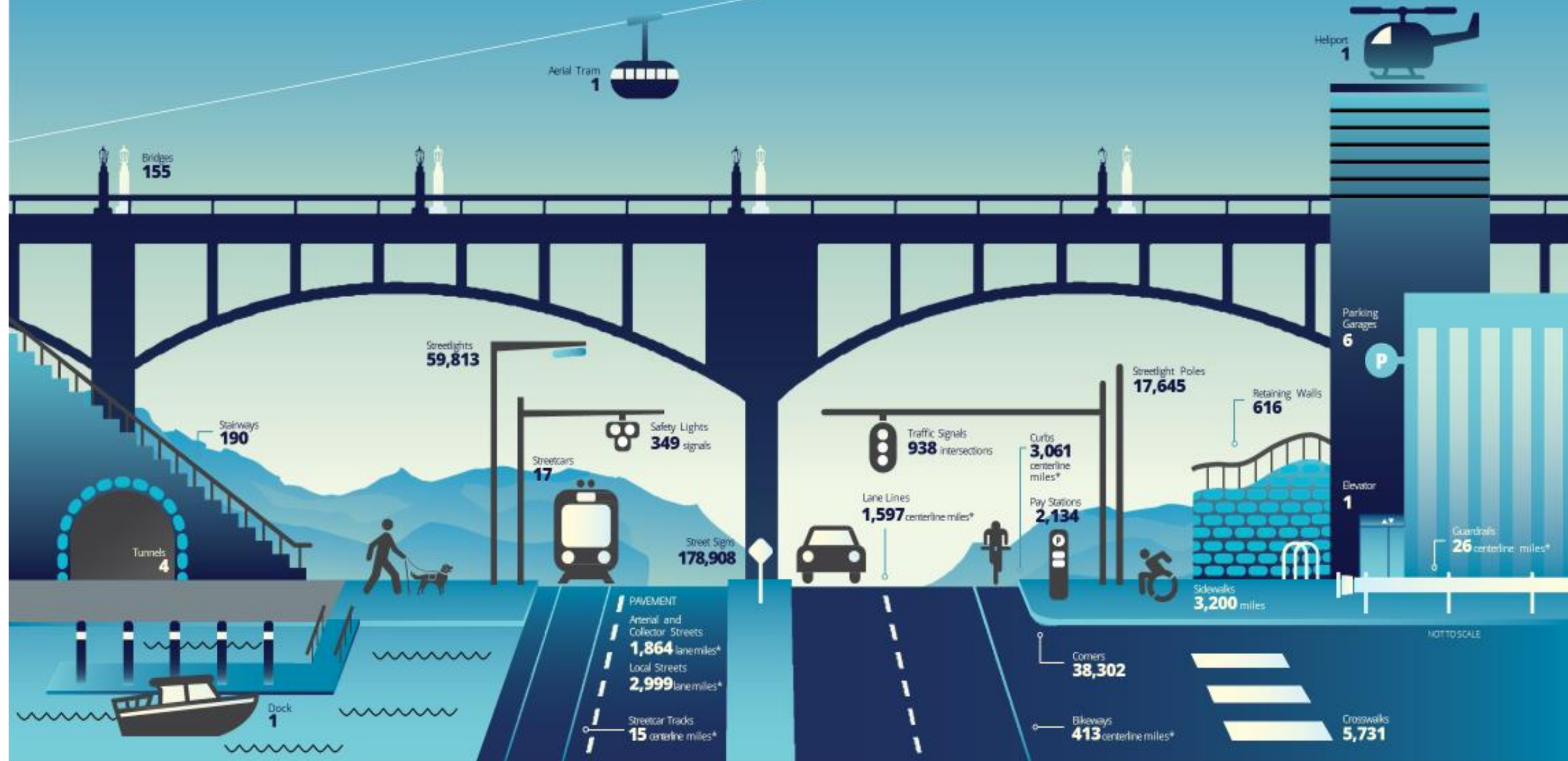
Connecting people to places.

PBOT manages roads, sidewalks, bike lanes, and transit that help Portlanders get from place to place easily, safely and sustainably.

We work everyday to deliver a transportation system that meets the needs of our community.



AT A GLANCE : ASSETS MANAGED BY THE PORTLAND BUREAU OF TRANSPORTATION, 2022



FOUR SEASONS OF PBOT

365 days a year,
more than 500
PBOT
maintenance
workers are out
on the streets,
cleaning;
repairing, and
paving the way
(literally!)

WINTER

- SNOW PLOWING
- RETAINING WALL REINFORCEMENT
- STREET CLEANING
- SIGN MAINTENANCE
- STREET BASE REPAIR
- SEWER PIPE CLEANING
- GRADE AND GRAVEL STREETS

SPRING

- POTHOLE REPAIR
- PUBLIC STAIRWAY MAINTENANCE
- TUNNEL MAINTENANCE
- VEGETATION MANAGEMENT
- SIGN MAINTENANCE
- SEWER REPAIR
- ADA RAMP UPGRADES AND INSTALLATION

SUMMER

- STREET PAVING
- BRIDGE MAINTENANCE
- VEGETATION MANAGEMENT
- PAVEMENT MARKING RESTORATION
- CROSSWALK MAINTENANCE
- ADA RAMP UPGRADES AND INSTALLATION
- SAFETY PROJECTS
- SEWER REPAIR
- STORM-WATER SYSTEM MAINTENANCE
- TRAFFIC CONTROL AND SAFETY FOR SPECIAL EVENTS

FALL

- SEWER PIPE CLEANING
- CATCH BASIN CLEARING
- LEAF REMOVAL
- STREET CLEANING
- ADA RAMP UPGRADES AND INSTALLATION
- STREET MAINTENANCE
- PAVEMENT MARKING
- CROSSWALK MAINTENANCE

THREE MAIN GOALS

Safety



**Moving People
and Goods**



Asset Management

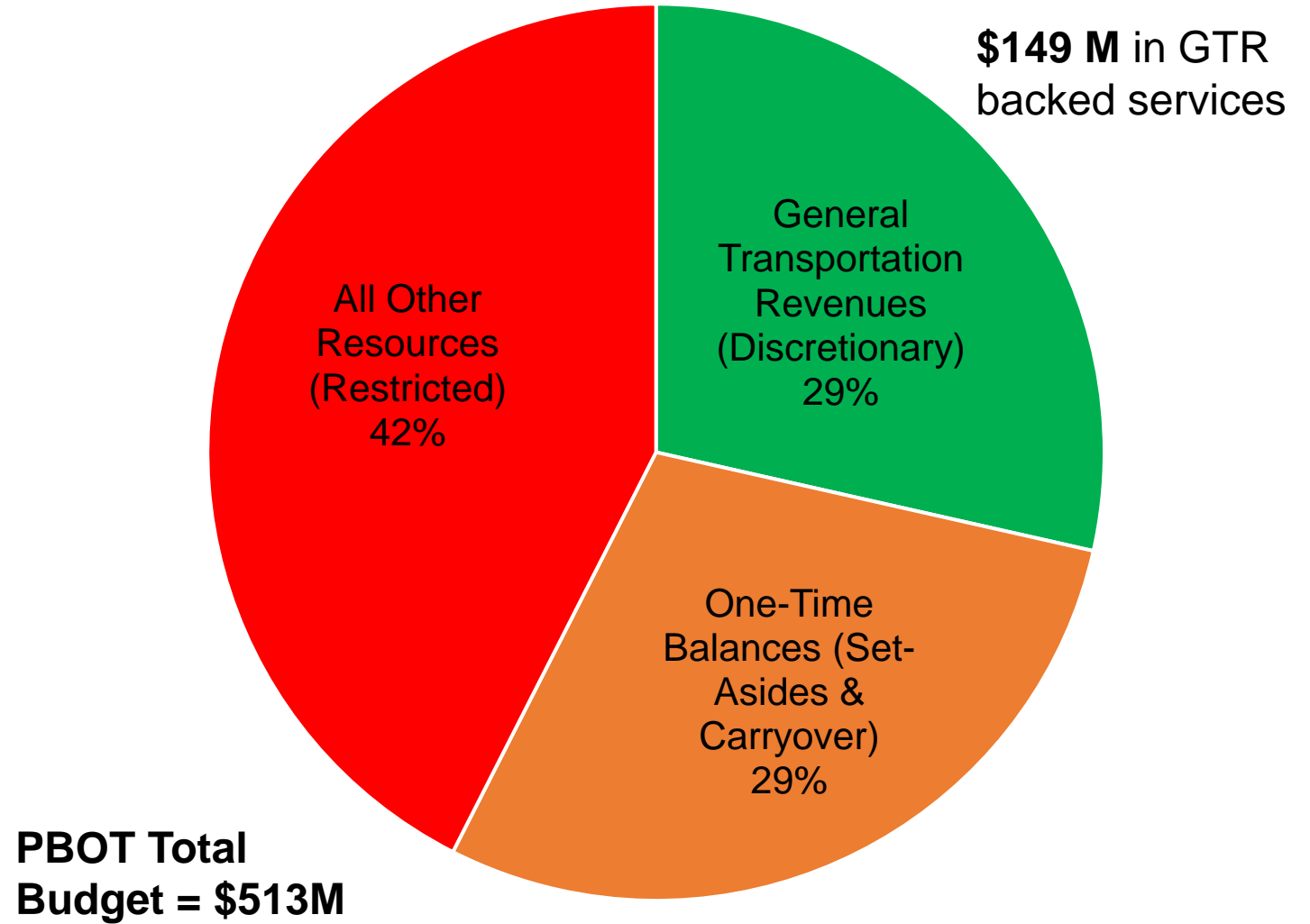


Across all work: ask are we advancing equity & reducing carbon emissions?



PBOT's Discretionary Resources

- **Discretionary resources** (General Transportation Revenues) go towards basic maintenance and operations of the transportation system - "keeping the lights on"
- All other funding sources (e.g. federal grants, permit revenues, SDCs) are dedicated to specific programs and services and cannot be used for other purposes



Discretionary revenue sources have significant structural challenges



State Highway Fund (60% of GTR)

State Highway Fund Limitations

- As we achieve mode shift, high mpg and EV goals, we lose fuels tax
- Subject to state decisions; lack of local control
- Rates are not keeping pace with inflation



Parking (40% GTR)

Parking Limitations

- As we achieve mode shift goals, we lose parking revenue
- Parking fees designed primarily for parking management goals, not revenue needs
- Rates not keeping pace with inflation

Challenges have become acute

- Parking revenues have not recovered to pre-pandemic levels
- Inflation and service expectations continue to escalate quickly
- Reductions in local population and vehicle registrations have led to unexpected reductions in State Highway Funds
- Transition to electric vehicles is accelerating - positive for reaching climate goals, but challenging for fuels tax forecast



Significant budget cuts over the last four years already impact all of PBOT's work

- Between FY 20-24 we have cut approximately **\$20.4 M (16%)** in services from our General Transportation Revenue-backed expenses
- We have drawn down **almost all of our \$63 M in reserves.**





Budget cuts across the board significantly impact assets, safety, equity and sustainability

- Less paving, street sweeping
- Slower repair of signals and street lights
- Reduced funding for small safety projects like crosswalks
- Less outreach and project development capacity
- Slower response to requests for help from neighbors and businesses



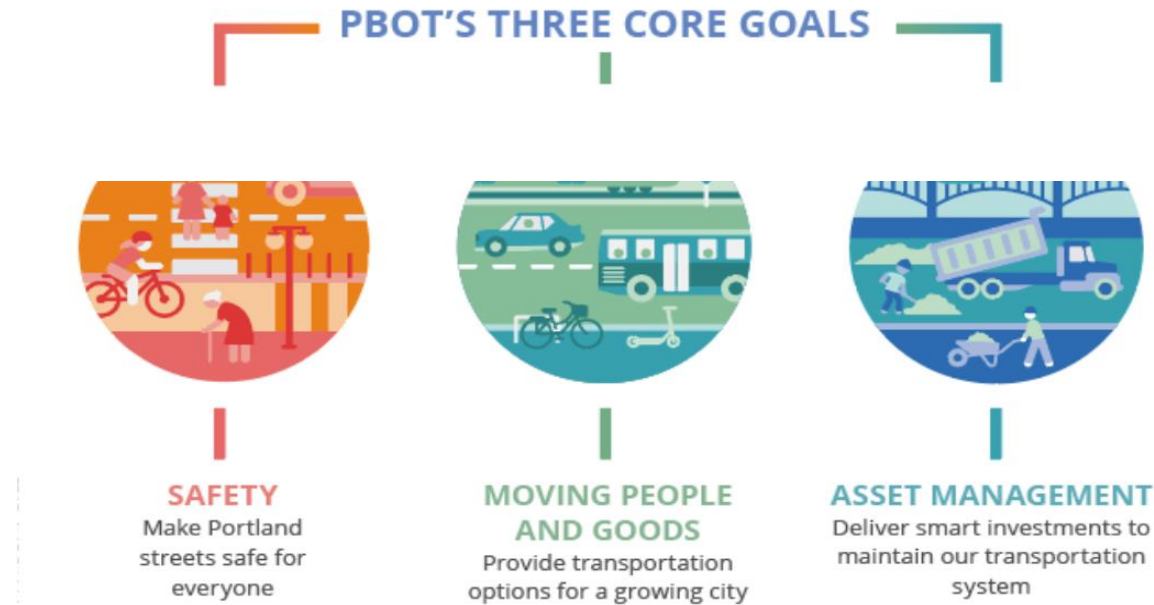
Reductions over past 4 years compound the problems of decades of under investment

- Aging infrastructure which needs hundreds of millions per year to bring it up to good condition
 - Bridge weight restrictions
 - Concerns about adding new infrastructure with no ability to maintain
- Fatalities and serious injuries are at historic levels
- Congestion rising
- Rising transportation related carbon emissions
- Disparities across transportation indicators

What happens next? FY 24-25 Budget

- Parking and state fuels tax revenues continue to come in below earlier projections, while expenses continue to rise.
- The FY 24-25 budget will require up to **\$32 million** in additional service reductions.
- Fixing Our Streets renewal in 2024. If not renewed would add another \$17 million in service reductions.
- Dramatic and visible service reductions are likely

What happens next? FY 24-25 Budget



How will potential cuts impact climate & equity commitments?

City Council has asked PBOT to prioritize and focus our work on core services to meet reduced revenue expectations.

Opportunity to provide feedback on priorities

- Maintaining our roads and infrastructure (roads, signals, signs, etc.)
- Making the transportation system safer
- Reducing disparities and inequities in our transportation system (e.g., disparities in fatality rates, travel times, etc.)
- Reducing climate impacts and carbon emissions from transportation
- Improving biking & walking infrastructure and safe multimodal access to schools & other places
- Improving freight and goods movement
- Improving access to transit
- Community programming that encourages safe, multimodal transportation
- Ensuring timely responses to constituent requests
- Support economic recovery and activating the right-of-way
- Keeping streets clean
- Leveraging local dollars to access federal infrastructure dollars
- Maintaining service levels by retaining staff and avoiding layoffs

Next Steps

- Gather feedback to inform prioritization decisions
- Continue to explore ways to offset cuts with additional revenues
- Follow up on budget note with council - fall
- Fixing Our Streets III/HVUT III preparations
- Budget Development

Joint BAC/PAC meeting in July – gather feedback on priorities